



Advanced Transportation and Alternative Source Manufacturing Sales and Use Tax Exclusion Program

SB 71 Program

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) has implemented the Advanced Transportation and Alternative Source Manufacturing Sales and Use Tax Exclusion Program (SB 71 Program). Under the SB 71 Program CAEATFA approves **sales and use tax exclusions (STE)** for eligible projects on property utilized for the *design, manufacture, production or assembly of advanced transportation technologies or alternative source – including energy efficiency – products, components or systems.*

The SB 71 Program promotes the creation of California-based manufacturing, California-based jobs, and the reduction of greenhouse gases, air and water pollution, or energy consumption.

To date, the Program has approved financial assistance for private entities in the following fields: electric vehicle manufacturing, solar photovoltaic manufacturing, landfill gas capture and production, biogas capture and production (dairies and waste water treatment plants), demonstration hydrogen fuel production, electric vehicle battery manufacturing, biomass processing and fuel production, and others.

ELIGIBILITY CRITERIA

- Applicants must show the property to be purchased will be used to design, manufacture, produce or assemble an eligible advanced transportation technology or alternative source product – including energy efficiency – component or system.
- This definition includes manufacturers of alternative source electricity generation equipment such as solar panels or wind turbines. But it excludes the purchase of that equipment for power generation.

APPLICATION

- Applications are accepted on an ongoing basis.
- Applications may be submitted at any time and will be presented at the ***first meeting*** occurring at least 60 calendar days after receipt of a complete application.



Advanced Transportation and Alternative Source Manufacturing Sales and Use Tax Exclusion Program

APPLICATION EVALUATION

- Applications that meet the project definition criteria will be evaluated based on criteria developed and specified in the program regulations.
- These evaluation criteria are designed to measure and quantify the fiscal and environmental benefits of the project and to compare the benefits to the cost of the STE.
- Applicants will receive points in the areas of fiscal benefits and environmental benefits which will translate into a numerical score.
- Applications that receive a total of 1,000 or more points and a total environment benefits score of 100 or more points will be recommended to the CAEATFA Board for approval.



PROGRAM RESTRICTIONS

- There are no STE minimum or maximum limits for individual projects.
- Applicants will be required to make at least twenty five (25) percent of the purchases identified in their application within one year of application approval.
- All purchases must be made within three years following application approval, unless CAEATFA grants a longer time period.

PRIOR USE

- CAEATFA will be able to extend the STE to any qualified property for which the participating party can make a representation that there has been no functional use of the qualified property prior to it being conveyed to CAEATFA.



FEES

- Application Fee – equal to .0005 of the total purchase price of qualified property identified in the application. The minimum application fee shall be a minimum of \$250 and shall not exceed \$5,000. Payment of the fee is required for a submitted application to be considered complete.
- Administrative Fee – equal to .004 of the total purchase price of the qualified property purchased. The administrative fee shall be a minimum of \$15,000 and shall not exceed \$350,000.

Those interested in participating in the SB 71 Program should contact the California Alternative Energy and Advanced Transportation Financing Authority.

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

915 Capitol Mall, Room 457 • Sacramento, CA 95814 • Phone: 916-651-8157

Email: caeatfa@treasurer.ca.gov • Web: www.treasurer.ca.gov/caeatfa/sb71/index.asp